

Internal Revenue Service  
Director, Exempt Organizations

Department of the Treasury  
P.O. Box 2508 -- Room 7008  
Cincinnati, OH 45201

Date: [REDACTED]

Employer Identification Number:  
[REDACTED]

Person to Contact -- I.D. Number:  
[REDACTED]

Contact Telephone Numbers:

Phone  
[REDACTED]

Fax  
[REDACTED]

Dear Sir or Madam:

We have considered your application for recognition of exemption from Federal income tax under the provisions of section 501(c)(3) of the Internal Revenue Code of 1986 and its applicable Income Tax Regulations. Based on the available information, we have determined that you do not qualify for the reasons set forth on Enclosure I.

Consideration was given to whether you qualify for exemption under other subsections of section 501(c) of the Code. However, we have concluded that you do not qualify under another subsection.

As your organization has not established exemption from Federal income tax, it will be necessary for you to file an annual income tax return on Form 1041 if you are a Trust, or Form 1120 if you are a corporation or an unincorporated association. Contributions to you are not deductible under section 170 of the Code.

If you are in agreement with our proposed denial, please sign and return one copy of the enclosed Form 6018, Consent to Proposed Adverse Action.

You have the right to protest this proposed determination if you believe it is incorrect. To protest, you should submit a written appeal giving the facts, law and other information to support your position as explained in the enclosed Publication 892, "Exempt Organizations Appeal Procedures for Unagreed Issues." The appeal must be submitted within 30 days from the date of this letter and must be signed by one of your principal officers. You may request a hearing with a member of the office of the Regional Director of Appeals when you file your appeal. If a hearing is requested, you will be contacted to arrange a date for it. The hearing may be held at the Regional Office or, if you request, at any mutually convenient District Office. If you are to be represented by someone who is not one of your principal officers, he or she must file a proper power of attorney and otherwise qualify under our Conference and Practice Requirements as set forth in Section 601.502 of the Statement of Procedural Rules. See Treasury Department Circular No. 330.

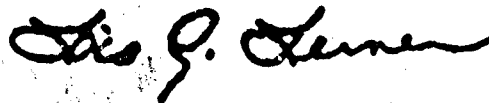
[REDACTED]

If you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides, in part, that:

A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service.

If we do not hear from you within the time specified, this will become our final determination. In that event, appropriate State officials will be notified of this action in accordance with the provisions of section 6104(c) of the Code.

Sincerely,



Director, Exempt Organizations

Enclosures:

Enclosure 1  
Publication 892  
Form 6018

[REDACTED]

**Enclosure 1**

The evidence presented shows that the organization was incorporated in the State of [REDACTED] on [REDACTED]. The purposes for which the organization was formed are:

To collect contributions from individuals, to award grants and loans to [REDACTED] and to help the needy, sick and disabled people. Grants, awards and or loans to [REDACTED] will be made to domestic and foreign organizations.

The information on page 2 of application Form 1023 states that the organization will award grants and or loans to [REDACTED] 501(c)(3) type religious institutions, upon receipt of an application or request for funds for a specific purpose.

It further states that control will be exercised by requiring a report of the use of the award or loan from the institution. Reports concerning use of past grants or loans will be considered when evaluating future request. Your organization will award grants to the sick, needy and disabled people and to such organizations that support and help such. Proof from individuals will be required as to the use of funds and or loans, and if they qualify, and will be examined and approved by our board of directors.

Further clarification of your activities, in letter dated [REDACTED] disclosed that your loans will be limited to \$ [REDACTED] per person on a first come basis and must be paid back entirely within one year. All loans are interest free and must be secured by two co-signers. The organization does not require financial statements to be secure.

In [REDACTED] you received small amounts of contributions, collected from some individuals and businesses centers

The organization's letter dated [REDACTED] states the following paragraph

:" Our organization in [REDACTED], is an organization that helps basically sick people, elderly people, we offer transportation to hospitals and to doctors, payment for medical services and treatments for the sick and for disabled people, who can not afford to pay for such, and have no insurance, for some people that need to come to the United States for special treatments or surgery to help them stay in these rehabilitation centers and or in hospitals."[sic]

[REDACTED]

"You keep on asking us again and again, our actual income and expenses, schedules, at the time you are not letting us get started, or get going in our project. If we can not establish our source of income, donations and contributions, since no one wants to tender us any funds, because we can not provide them with exempt documentation."

"No. we will not request financial statements from our borrowers, because if they can prove to us that they are low income, by providing us with proof, that they receive Governmental aid, such as, food stamps and or SSI, or other public help, that would be sufficient". [sic]

Your letter dated [REDACTED] reiterates the fact that you did receive income in [REDACTED], but did not provide the necessary information.

Revenue Procedure 90-27, published in Cumulative Bulletin, 19990-1, page 514 provides, in part, that exempt status will be recognized in advance of operations if proposed operations can be described in *sufficient* detail to permit a conclusion that the organization will clearly meet the particular requirements of the section under which exemption is claimed. A mere restatement of purposes or a statement that proposed activities will be in furtherance in such purposes will not satisfy this requirement. The organization must fully describe the activities in which it expects to engage, including the standards, criteria, procedures, or other means adopted or planned, and the nature of contemplated expenditures. Where the organization cannot demonstrate to the satisfaction of the Service that its proposed activities will be exempt, a record of actual operations may be required before a ruling or a determination letter will be issued. In those cases where an organization is unable to describe fully its purposes and activities, a refusal to issue a ruling or determination letter will be considered an initial adverse determination from which administrative appeal or protest rights will be afforded.

A review of your application indicates that you are unable to provide the following:

- A list of the individuals/businesses that made contributions to your organization in fiscal year [REDACTED]. This is a required schedule to establish the foundation classification under IRC 501(c)(3).
- A detailed breakdown of your expenditures since formation. This is a required schedule of financial data, on page 8, line 15 in the application Form 1023.
- Establish procedures for your lending activities, which would protect the assets of the organization.
- How would those individuals or organizations in financial need know about your available funding or loans?
- No establish application or contract agreement describing the repayment plan for the loans.

Based upon Revenue Procedure 90-27, cited above, we hold that your organization has not operated to further your exempt purposes. You have not provided sufficient detail to permit the conclusion that you clearly will be exempt from Federal income tax, a determination of your status may not be made at this time.